

5:30-3
LOCAL FINANCE BOARD - ANNUAL BUDGET

5:30-3.1 (Reserved)

As amended, R.1979 d.16, eff. January 17, 1979.

5:30-3.2 Procedures for adoption of budget

- (a) All budgets shall be introduced, approved, amended and adopted by resolution passed by not less than a majority of the full membership of the governing body.
- (b) The procedure shall be as follows:
 - 1. Introduction and approval;
 - 2. Public advertising;
 - 3. Public hearing;
 - 4. Amendments and public hearings, if required;
 - 5. Adoption;
 - 6. The clerk of the local unit shall transmit a certified copy of the budget, as adopted, to the county board not later than March 31 of the fiscal year.

5:30-3.3 Examination of budget

- (a) The Director shall examine the budget filed in his office with reference to all estimates of revenue and to the following appropriations:
 - 1. Payment of interest and debt redemption charges;
 - 2. Deferred charges and statutory expenditures;
 - 3. Cash deficit of preceding year;
 - 4. Reserve for uncollected taxes;
 - 5. Other reserves and nondisbursement items.
- (b) The Director shall also examine the budget for detail and accuracy of itemization and for compliance as to form, arrangement and content with the provisions of this chapter and the regulations of the Local Finance Board.
- (c) A local unit may, by resolution, include any of the following dedications by rider in the budget of the local unit, without further approval of the Board or Director of the Division of Local Government Services. All such receipts shall be for the sole purpose for which the funds are intended.
 - 1. Animal control;

2. State or Federal aid for maintenance of libraries;
3. Bequest, escheat;
4. Construction code fees due to the Hackensack Meadowlands Development Commission;
5. Outside employment of off-duty municipal police officers;
6. Unemployment compensation insurance;
7. Reimbursement of sale of gasoline to State automobiles;
8. State training fees--Uniform Construction Code Act;
9. Older Americans Act--program income;
10. Municipal Alliance on Alcoholism and Drug Abuse--program income;
11. Tax appeal filing fees collected by the county boards of taxation; and
12. Sanitary landfill closure trust fund.

As amended, R.1978 d.240, eff. July 21, 1978. As amended, R.1982 d.186, eff. June 21, 1982. Amended by R.1998 d.307, effective June 15, 1998.

5:30-3.4 Filing of municipal budget amendments

- (a) All budget amendments submitted to the Director, Division of Local Government Services for approval per N.J.S.A. 40A:4-85 and N.J.S.A. 40A:4-87 shall be filed with the Director within five days after adoption.
- (b) Any such budget amendment not filed within the prescribed time must be accompanied by a statement of reasons, satisfactory to the Director, for such delay.

Amended by R.1979 d.16, eff. January 17, 1979. New Rule, R.1981 d.216, eff. July 9, 1981.

5:30-3.5 Detail in support of current budget appropriation

- (a) In the budget document filed with the Director, line items of appropriations for administration, operation and maintenance of each office, department, institution or other agency of each local unit shall be shown separately, and provide, at a minimum, a breakdown for "salaries and wage" and "other expenses."
- (b) After the introduction of the budget, but no later than seven days prior to the public hearing on the budget, each local unit shall make available to the public such supporting documents that provides appropriate detail covering the makeup of any revenue or appropriation. Such documents shall be made available for public inspection at the office of the municipal clerk or chief financial officer. Copies of the documents shall be made available to the public pursuant to the provisions of N.J.S.A. 47:1A-2.

- (c) The appropriate detail as required in (b) above shall include those schedules, estimates, or lists of proposed revenues and appropriations that were utilized by the governing body in its final deliberations on the budget, or used in such other circumstances that reflect the details of the lines items shown in the introduced budget. This provision shall not require the disclosure of any details that were part of a meeting of the governing body that was closed to the public pursuant to the Open Public Meetings Act.

New Rule, R.1990 d.383, effective August 6, 1990. Amended by R.1979 d.16, effective January 17, 1979. Repeal and New Rule, R.1998 d.307, effective June 15, 1998.

5:30-3.6 Emergency appropriations

- (a) For emergency appropriations made after the adoption of the annual budget, for a purpose unforeseen at the time of adoption, and made pursuant to N.J.S.A. 40A:4-46 through 40A:4-49, the local unit shall file the following documents with the Director with five working days of the passage of the emergency resolution:
1. Two certified copies of the resolution authorizing the emergency appropriation;
 2. An affidavit of the chief financial officer as required by N.J.S.A. 40A:4-52; and
 3. For any emergency appropriation entitled "Down payments on improvements," an accounting of the capital improvement fund from the beginning of the budget year through the date of introduction of the related ordinance.
- (b) For special emergency appropriations adopted pursuant to N.J.S.A. 40A:4-53 through 55, appropriations shall be made in the subsequent year's budgets pursuant to the following:
1. In the case of a five year emergency, an amount not less than 20 percent of the net deferred charge, unless the local unit elects to include a greater amount, until the emergency has been funded in full.
 2. In the case of a three year emergency, an amount not less than one-third of the net deferred charge, unless the local unit elects to include a greater amount until the emergency has been funded in full.
- (c) Revenues from Federal or State governments for emergencies resulting from natural or other disaster shall be recognized as miscellaneous revenues, or may be credited to the appropriation, only if the grant is a reimbursement for funds expended by the local unit for emergency purposes in advance of receipt of the grant and in the fiscal year the emergency took place.

- (d) If an emergency appropriation is being funded by ordinance, adopted pursuant to the Local Bond Law, the funding shall be for the net amount reflected in the deferred charge and shall represent the total subject to bonding, plus not more than one percent of the amount of the deferred charge for the costs of issuing the bonds.

Repealed by R.1979 d.16, effective January 17, 1979. New Rule R.1990 d.383, effective August 6, 1990. Repeal and New Rule, R.1998 d.307, effective June 15, 1998. Recodified from N.J.A.C. 5:30-5.1 by R.2000 d.485, effective December 4, 2000.

5:30-3.7 Reserve for pension contributions

A county or municipality may appropriate and reserve funds for the purpose of anticipating the phase-in increases in the cost of employer pension contributions as set forth in N.J.S.A. 43:15A-24 (Section 1 of P.L. 2003, c. 108). Any such amount to be appropriated is to be determined by the governing body. Nothing in this section shall require any specific amount, or any amount at all to be appropriated in any given year. Once appropriated, funds so reserved for payment of pension contributions shall not be used for any other purpose unless approved by the Local Finance Board. Funds shall be used by anticipating them as revenue in the year they are to be expended. The authority to appropriate and reserve funds or anticipate such funds shall only be effective for fiscal years 2004 through 2009.

New Rule. R. 2004 d.353. effective September 20, 2004.

5:30-3.8 (Reserved)

Amended by R.1979 d.16, eff. January 17, 1979.

5:30-3.9 Property tax levy cap exclusion for extraordinary expenses due to emergencies

N.J.S.A. 40A:4-45.45.b authorizes an exclusion to the municipal and county property tax levy cap for “extraordinary costs” related to a declared emergency. For the purpose of this law, “extraordinary costs” are defined as expenditures incurred for the immediate preparation, response, recovery, and restoration of public services due to extreme weather conditions or other catastrophic events that are the subject of a gubernatorial emergency declaration, and only for that portion of costs exceeding the cost of providing services under non-emergency conditions. Such funds can be treated as one-time (non-permanent) property tax levy cap exclusions upon submission and review of certifications describing the expenditures to the Director of the Division of Local Government Services, and may be subject to adjustment to account for the receipt of any State or Federal reimbursements.

New Rule. R. 2012 d.135, effective July 16, 2012